

CIA INTERNAL USE ONLY

15 October 1969

**MEMORANDUM FOR THE RECORD**

**SUBJECT: CIA Retirement Act Legislation**

1. In the interest of obtaining an idea from Bureau of the Budget working levels on the best possible timing for submitting our counterpart to the Daniels bill, I called Herb Jasper but learned that he had been succeeded by Naomi Sweeney. I then called Victor Zafra and learned that he would not be returning to the office until Monday.
2. I was told by a member of Mr. Zafra's office that they clearly understood the nature of my call and were sympathetic to our interest of updating the CIA Retirement Act to the Daniels bill. It was suggested that in Mr. Zafra's absence I speak with Mr. Dave McAfee who is "the most knowledgeable man we have on retirement." I was told that McAfee would no doubt fill-in Mr. Zafra on our conversation on Monday.
3. Contrary to what I was led to expect, McAfee had a generally negative attitude. He was not at all convinced that the liberalization of the Civil Service Retirement Act justified like liberalization of the CIA Retirement Act. He said the CIA system was patterned after the Foreign Service system and not the Civil Service system.
4. In disengaging from what appeared to be a counterproductive conversation, I made it clear to McAfee that my purpose was not to discuss the merits but the timing of our submission to BOB if the President approves the Daniels bill, but that as long as he had raised these substantive issues it is our belief that close examination would reveal that:
  - a. The provisions of the CIA Act have a predominant Civil Service and not Foreign Service cast;
  - b. Updating of the CIA Act to the benefits of the Daniels bill is consistent since the provisions involved were, in fact, based squarely on the Civil Service Retirement Act; and

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c. The increased survivorship benefits should have across-the-board application throughout the Government, referring to BOB's efforts earlier this year for across-the-board application of the transfer of credit and minimum guaranteed proposals (on this point he backed off his original position and agreed).

5. I don't think we should read too much into McAfee's attitude as he appeared to be most concerned with the question of the funding and particularly the bad shape of the Foreign Service Retirement and Disability Fund. On the other hand and although Mr. Roger Jones indicated to Mr. Maury that he may clear the way with Assistant Director for Legislative Reference Wilfred H. Rommel, we should be prepared for pressure from McAfee or others within BOB to examine the status and plans for the CIA Retirement and Disability Fund as the quid pro quo for clearing our draft bill.

STATINTL

SIGNED

  
Assistant Legislative Counsel

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OLC/LLM:rw (17 Oct 69)

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